

## Message Text

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64

ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 OMB-01 RSR-01

/183 W

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R 021715Z AUG 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5617

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

OECD PARIS

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E.O. 11652: N/A

TAGS: ETRD, EEC, GATT, US

SUBJECT: ARTICLE 24:6 NEGOTIATIONS -- PROPOSED EC OFFER

REF: (A) STATE 148143; (B) EC BRUSSELS 4266

1. SUMMARY. THE ESSENTIAL ELEMENTS OF THE EC COMMISSION'S  
PROPOSED OFFER TO THIRD COUNTRIES IN THE ARTICLE 24:6  
NEGOTIATIONS -- CLOSELY HELD THUS FAR -- HAS NOW LEAKED  
TO THE PRESS. THE LIST OF ITEMS WAS PUBLISHED IN EUROPE  
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NEWS BULLETIN. ACCORDING TO INFORMATION AVAILABLE TO

THE MISSION, THE LIST IS ACCURATE ALTHOUGH IT OMITS CERTAIN TECHNICAL DETAILS AS WELL AS PROPOSED NEW TARIFF LEVELS FOR SOME ITEMS. END SUMMARY.  
BEGIN UNCLASSIFIED

2. THE AUGUST 2 EDITION OF EUROPE NEWS BULLETIN CONTAINS AN ARTICLE ON THE ARTICLE 24:6 NEGOTIATIONS FROM WHICH THE FOLLOWING IS AN EXTRACT: QUOTE CIRCLES CLOSE TO THE EUROPEAN COMMISSION POINT OUT WITH REGARD TO THIS MATTER THAT THE CONCESSIONS PROPOSED BY THE COMMISSION ARE NOT DIRECTED AT ONE OR OTHER COUNTRY IN PARTICULAR. IT IS A QUESTION OF AN OVERALL OFFER, FROM WHICH NOT ONLY THE "MAIN SUPPLIERS" OF PARTICULAR PRODUCTS WOULD BENEFIT BUT RATHER ALL THIRD COUNTRIES. THE OVERALL IMPROVEMENT RESULTING FROM THESE CONCESSIONS SHOULD, THE COMMISSION BELIEVES, PRODUCE A SATISFACTORY RESULT FOR ALL THOSE COUNTRIES WITH WHICH THE EEC IS NEGOTIATING.

THE COMMISSION PROPOSES:

- TO REDUCE TO 5PCT (INSTEAD OF 10PCT) THE TARIFF ON CONIFEROUS WOODS COVERED BY POSITION 44.05B
- TO INTRODUCE A ZERO TARIFF QUOTA FOR 400,000 CUBIC METERS OF CONIFEROUS PLY WOODS.
- TO APPLY A TOTAL AND PERMANENT EXEMPTION FOR PAPER PULPS.
- TO BRING THE ZERO DUTY QUOTA FOR NEWSPAPER TO 1.5 MILLION TONS (ABOVE THE QUOTA THE 7PCT DUTY WOULD REMAIN IN FORCE)
- TO INTRODUCE A QUOTA WITH A GRADUALLY DECREASING TARIFF FOR KRAFT PAPER AND KRAFT BOARD, THE VOLUME OF WHICH WOULD BE 700,000 TONS. THE TARIFF WOULD FALL TO ZERO IN 1984 (BUT ABOVE THE QUOTA, THE 12 PCT WOULD REMAIN IN FORCE)
- TO APPLY TOTAL EXEMPTION FOR WORK LEAD.(USEC COMMENT: BASED ON FRENCH VERSION THIS SHOULD BE UNWROUGHT LEAD.)
- TO REDUCE TO 17PCT (FROM 22PCT) THE TARIFF ON LORRIES AND TO 17PCT (FROM 20PCT) THAT ON NON-AGRUCULTURAL TRACTORS.
- TO REDUCE TARIFFS ON OFFAL AND TO BRING UP TO 55,000 TONS THE QUOTA AT A TARIFF OF 20PCT FOR LIMITED OFFICIAL USE

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FROZEN BEEF (AT THE PRESENT TIME IT STANDS AT 22,000 TONS).

- TO REDUCE TO 4PCT (FROM 8PCT) THE TARIFF FOR FRESH AND FROZEN SALMON AND TO 7PCT (FROM 13PCT) THE TARIFF ON TINNED SALMON.
- TO REDUCE THE TARIFFS ON CANTHARELLUS MUSHROOMS, GRAPEFRUITS, RAISINS, ORANGES (FROM 1 JUNE TO 15 OCTOBER), APPLES, PEARS, BILBERRIES.

- TO REDUCE TO 7PCT (FROM 9PCT) THE TARIFF ON COFFEE AND TO 6PCT (FROM 9PCT) THE TARIFF ON PALM OIL.
- TO REDUCE TARIFFS ON TINNED PEARS AND PINEAPPLES.
- TO REDUCE TO 60 U.A. PER 100/KG (FROM 70) THE MINIMUM DUTY ON TOBACCO.
- TO FACILITATE IMPORTS OF CHEDDAR CHEESE AND PORK MEAT PRODUCTS. UNQUOTE. END UNCLASSIFIED.

3. COMMENT: THE FOREGOING LIST IS ESSENTIALLY ACCURATE ACCORDING TO INFORMATION AVAILABLE TO THE MISSION. IT OMITTS CERTAIN DETAILS SUCH AS CXT ITEM NUMBERS AS WELL AS THE PROPOSED NEW TARIFF LEVELS ON CERTAIN ITEMS. WE UNDERSTAND, FOR EXAMPLE, THAT THE PROPOSAL ON ORANGES IS TO REDUCE THE CXT TO 4PCT AS COMPARED WITH THE PRESENT BOUND RATE OF 15PCT AND THE PRESENT SUSPENDED RATE OF 5PCT. THE TOBACCO ITEM REFERS TO TOBACCO VALUED AT OR ABOVE 280 UNITS OF ACCOUNT PER PACKAGE OF 100 KILOGRAMS. THE 15PCT DUTY WOULD APPARENTLY REMAIN UNCHANGED BUT THE MAXIMUM WOULD BE 60 UNITS OF ACCOUNT RATHER THAN 70 UNITS OF ACCOUNT PER 100 KILOGRAM PACKAGE. VARIOUS REPORTS HAVE SPOKEN OF A LIST OF THIRTY ITEMS. WE UNDERSTAND THAT POSSIBLE DISCREPANCIES DERIVE FROM THE FACT THAT, IN A FEW CASES (E.G. OFFALS), SEVERAL CXT ITEMS OR SUB-ITEMS LISTED INDIVIDUALLY IN THE OFFICIAL PROPOSAL ARE GROUPED TOGETHER BY EUROPE NEWS BULLETIN. HARTMAN

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